

<b>DISPATCH</b>		CLASSIFICATION <b>SECRET</b>	DISPATCH SYMBOL AND NO <b>BONSL-7163</b>
TO Chief of Base, Munich Attn: [ ] CDR/3; [ ]  FROM Chief, SR  SUBJECT Operational REDWOOD LOCIMPROVE AIRBATT Status of AIRBATT Project  Action required Munich: None, for your information [ ] See Paragraph 4, below		HEADQUARTERS FILE NO  74-6-2373  DAN  15 JAN 1958	
		RE: "A-7" - (CHECK "T" ONE) <input checked="" type="checkbox"/> MARKED FOR INDEXING <input type="checkbox"/> NO INDEXING REQUIRED  INDEXING CAN BE ADDED BY QUALIFIED HQ. DESK ONLY	

A. DZMA - 39155, dated 15 December 1958  
 B. DZR - 04076 dated December 1958  
 C. MEMO - 1452 dated December 1958  
 D. [ ] - 4432 dated December 1958

1. Status of Project AIRBATT: As you know, Project AIRBATT was approved in September 1957 for project year 1958 with the recommendation that AECAPELIN-1 be transferred or terminated by 31 July 1958. Since this could not be accomplished by that date, renewal of Project AIRBATT for project year 1959 was delayed until a final decision was made as to the disposition of AECAPELIN-1. When Munich [ ] plans for the transfer of subject were firmed up sufficiently to allow a reasonable estimate of the date of his transfer, we immediately submitted a request for extension of Project AIRBATT for eight months (1 August 1958 to 31 March 1959) to provide sufficient time for a secure and orderly transfer of AECAPELIN-1 to Paris. Though the request for project extension has not been approved to date, we are expecting such approval in the very near future. A copy of the request for extension of Project AIRBATT will be submitted to the field immediately after approval.

2. AIRBATT Finances: In Paragraph 5, Reference A, there appears to be a misunderstanding as to the responsibility for financing any losses which AECAPELIN-1 may suffer when he sells his personal apartment. [ ] does not have to include the sum of \$1000 in the new field project outline because this sum has already been included in our request for extension of Project AIRBATT. The breakdown of funds requested for the eight months of the extension (1 August 1958 to 31 March 1959) is as follows:

a. Salary - Paid in Munich (8 months @ \$200)	\$1600.00
b. Salary - Hq Escrow (8 months @ \$200)	1600.00
c. Purchase of Information and Rental of Operational Office for AECAPELIN-1 (8 months)	700.00
d. Operational Travel	350.00
e. Fund for Transfer of AECAPELIN-1 and effects to Paris, including expenses connected with possible loss in sale of subject's personal apartment in Munich.	1400.00
f. Initial Key Money for Paris Living Quarters	200.00
g. Operational Materials	150.00
<b>TOTAL</b>	<b>\$6000.00</b>

In Reference B, we submitted the above breakdown with the exception of item "e" above which was listed as \$400. Reference C concerned all figures in Reference B but also requested an additional sum of \$1000 to cover reimbursement to AECAPELIN-1 for any possible losses connected with the sale of his personal apartment. This \$1000 was added to our estimate of \$400 and appears liberal enough to cover all foreseeable expenses connected with the transfer of AECAPELIN-1 to Paris. It should also be noted that \$200 was allowed for initial key money for Paris living quarters, and that this figure was considered adequate by [ ] per Reference D.

3. Status of AECAPELIN-1 Economic Account: Per Paragraph 6-8, Reference A, AECAPELIN-1's statewide escrow account totaled \$6845.05, as of 31 December 1958. The information on Munich personalities will be submitted to [ ] in a separate dispatch.

4. ~~AM~~ [ ] In view of the fact that the present Project AM/AM will be terminated by 11 March 1968, it is requested that the Paris Club project outline for MCW-1/1 be submitted as soon as possible but under no circumstances later than 10 February 1968. In order to allow sufficient time for headquarters processing and approval, at the same time please submit a new memorandum of oral agreement in lieu of contract for MCW-1. This can be drawn up for an indefinite period to avoid the necessity of yearly or bi-yearly renewals.

## Distribution:

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